WPP IM Co: Progress Update

Prepared by Rob Lamb, Chief Executive Officer

This paper summarises what has been achieved since September 2025, organised under the same three areas used in the weekly Transitionary Board meetings: governance, people, and operations.

	Status	Comments
Governance		Structure, documentation and board ready to execute.
People		A core team is in place with a mix of experienced LGPS officers and regulated investment management experience.
Operations (technology, corporate services and business process)		The operational transition plan is in place and operational readiness is on track. IT and cyber-security contracts are being finalised.

The company is ready to operate as a regulated firm. The remaining dependency is the Financial Conduct Authority (FCA) Minded to Approve letter, which we now expect by July 2026. The delay to the original April 2026 FCA authorisation target is primarily attributable to the parliamentary timetable for the Pension Schemes Act, which received Royal Assent on 29 April 2026.

Governance

Every foundational governance decision required before FCA authorisation has been taken. Between November 2025 and March 2026, we consulted formally with all eight constituent authorities on the two documents that define the relationship between shareholders and the company: the Shareholders' Agreement and the Client Services Agreement. Both were approved by all eight Pension Fund Committees before the end of March 2026, alongside the Year 1 budget and initial business plan. That consultation process, conducted across eight separate Local Authorities with different political compositions, timelines and concerns, was completed without objection or material amendment.

The governance architecture that underpins FCA authorisation is now fully designed and ready to execute. The permanent Board structure separates three distinct roles that are currently blurred: an independent IM Co Board responsible for the regulated entity, a Shareholder Board exercising reserved matters on behalf of the eight owners, and the Joint Governance Committee continuing as the collective client oversight body. The FCA requires a clear firewall between the ownership and client functions, and that firewall is built into the framework we have agreed with all parties.

The sequence from the FCA's Minded to Approve letter through to formal authorisation is mapped in detail and can be completed within ten working days of receipt. Transitionary directors will resign, new directors will be appointed, regulatory capital will be called and confirmed, and the remaining legal documents will be executed. Companies House filings and final evidence to the FCA will follow immediately. Every step has been agreed with our legal advisors.

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People

Fifteen people are now either in post or have accepted offers to join the company. Five are experienced LGPS officers moving across from Welsh local authorities, bringing the institutional memory and relationships that are essential to continuity of service. The remaining ten are new to the Welsh Local Government Pension Scheme and bring perspective from regulated investment management, risk, finance, communications and operations. The blend is deliberate: we need people who understand the system we are inheriting and people who bring the disciplines of the regulated environment we are entering.

The leadership team has been recruited in full and on schedule, and in compliance with regulatory requirements under the FCA's Senior Manager Regime. The executive team includes the Chief Executive Officer and Chief Investment Officer as executive directors, supported by a Director of Finance and a Director of Risk. All required Senior Management Function holders have been submitted to the FCA as part of the application. An independent Chair and Non-Executive Directors have been recruited and are participating in induction and training so that they are ready to take up their positions on Board transition.

On 30 April 2026, the full team came together for the first time at a team day in Cardiff. We used the session to connect as people, to remind ourselves of our shared purpose, and to begin building the culture that will define this company. We agreed collectively that our immediate focus remains operational readiness, and that the deeper work on strategy and culture will follow once we are authorised, but before March 2027.

Operations

The FCA application was submitted on the last day of October 2025, in line with the November 2025 target set out in the critical path. Since then, we have worked through a series of questions and information requests from the FCA's Authorisations team. On 13 April 2026, the FCA confirmed that its recommendation to authorise was passing through internal approval. In addition, on 15 May 2026 some further questions were received mostly focused on operational resilience and these were responded to within the requested timeframe. The next formal communication we expect is the Minded to Approve letter, which we have been told to expect to arrive by July 2026.

The reason authorisation has not yet been granted is not within WPP IM Co's control. The Pension Schemes Act, which is the primary legislation that provides the framework for LGPS pooling reform, received Royal Assent on 29 April 2026. Until that point, the legislative basis on which the FCA was being asked to authorise a company of this kind was incomplete. The parliamentary timetable for that Act caused the original April 2026 target to move.

MHCLG, including the Pensions Minister, has expressed gratitude for the pace at which WPP IM Co has progressed relative to the other LGPS pools. That recognition reflects the fact that every milestone within our control has been delivered on or ahead of schedule: application submitted, SMF holders appointed, legal framework consulted and approved, team recruited, office secured in Cardiff, and operational transition planning underway.

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Version one of the operational transition plan has been prepared and is being led by the Chief Investment Officer. This covers the novation of contracts with our middle office provider, custodians and investment managers, the establishment of service level agreements, and the systems and controls required to operate as a regulated firm from the point of authorisation. IT support and cyber-security is being outsourced to a third party and we are continuing to negotiate the detail of that contract. Given our outsourced model and expedited timeline for operational transition, it has been important to ensure appropriate oversight is captured by contractual obligations. In the meantime, day to day investment management and fiduciary responsibilities have continued unchanged; there has been no disruption to members or employers at any stage.

Next steps

With authorisation now a matter of timing, the team's full attention is on operational readiness. Every member of the team has a 60-day plan to 1 July 2026 that connects their individual priorities to the company's collective preparation for Day 1. These are specific, measurable commitments covering the systems, controls, relationships and reporting that must be functioning from the point WPP IM Co appears on the FCA register. The plans are reviewed weekly, and provide confidence that when the Minded to Approve letter arrives, the distance between receiving it and being fully operational will be measured in days rather than weeks.

Rob Lamb
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